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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response..... 12.00	

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 13068

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

8-30212

REPORT FOR THE PERIOD BEGINNING October 1, 2003 AND ENDING September 30, 2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

PENSION PLANNERS SECURITIES, INC,
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

9700 BUSINESS PARK DRIVE, SUITE 102

(No. and Street)

SACRAMENTO

(City)

CA

(State)

95827

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JON NEUBERT

(916) 362-4107

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GREG MICHAEL LANG

(Name - if individual, state last, first, middle name)

335 33RD STREET

(Address)

SACRAMENTO

(City)

CA

(State)

95816

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED
DEC 10 2004
THOMSON
FINANCIAL

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

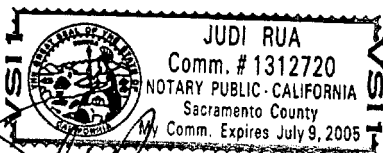
SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

CDR

OATH OR AFFIRMATION

I, JON NEUBERT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PENSION PLANNERS SECURITIES, INC., as of SEPTEMBER 30,, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Judi Rua
Notary Public

[Signature]
Signature

PRESIDENT
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2005
Estimated average burden hours per response.....	12.00

Form
X-17A-5

FOCUS REPORT
(Financial and Operational Combined Uniform Single Report)
PART IIA 12

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) ☐ 17

3) Rule 17a-11 ☐ 18

4) Special request by designated examining authority ☐ 19

5) Other ☐ 26

NAME OF BROKER-DEALER

SEC FILE NO.

8-14068 14

FIRM I.D. NO.

68-0107040 15

FOR PERIOD BEGINNING (MM/DD/YY)

OCTOBER 1, 2003 24

AND ENDING (MM/DD/YY)

SEPTEMBER 30, 2004

PENSION PLANNERS SECURITIES, INC. 13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

9700 BUSINESS PARK DRIVE, SUITE 102 20

(No. and Street)

SACRAMENTO 21 CA 22 95827 23

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code) — Telephone No.

JON NEUBERT 30

(916) 362-4107 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES ☐ 40 NO ☐ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT ☐ 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 23RD day of NOVEMBER 20 04

Manual signatures of:

- 1) [Signature]
Principal Executive Officer or Managing Partner
- 2) [Signature]
Principal Financial Officer or Partner
- 3) [Signature]
Principal Operations Officer or Partner

ATTENTION — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 781(a))

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1696 (02-03) 1 of 16

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

LANG, GREG MICHAEL

70

ADDRESS

335 33RD STREET

71

SACRAMENTO

72

CA

73

95816

74

Number and Street

City

State

Zip Code

CHECK ONE

☒ Certified Public Accountant

75

☐ Public Accountant

76

☐ Accountant not resident in United States
or any of its possessions

77

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DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER PENSION PLANNERS SECURITIES, INC.	N 3			100
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STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) **SEPTEMBER 30, 2004** 99
 SEC FILE NO. **8-14068** 98
 Consolidated 198
 Unconsolidated 199

	Allowable	Non-Allowable	Total
1. Cash	\$ 338,488		\$ 338,488
2. Receivables from brokers or dealers:			
A. Clearance account	295		
B. Other	300	550	810
3. Receivable from non-customers	355	600	830
4. Securities and spot commodities owned at market value:			
A. Exempted securities	418		
B. Debt securities	419		
C. Options	420		
D. Other securities	77,107		
E. Spot commodities	430		77,107
5. Securities and/or other investments not readily marketable:			
A. At cost $\frac{1}{2}$ \$	130		
B. At estimated fair value	440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$	150		
B. Other securities \$	160		
7. Secured demand notes:	470	640	890
Market value of collateral:			
A. Exempted securities \$	170		
B. Other securities \$	180		
8. Memberships in exchanges:			
A. Owned, at market \$	190		
B. Owned, at cost		650	
C. Contributed for use of the company, at market value		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	490	680	920
11. Other assets PREPAID FRANCHISE TAX	528	735	528
12. TOTAL ASSETS	\$ 416,123	\$ 740	\$ 416,123

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

as of 9/30/04

PENSION PLANNERS SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255 ¹³	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115 ¹⁰	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	314,311 1205	1385	314,311 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211 ¹²	1390 ¹⁴	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders, \$ 970		1400	1710
2. includes equity subordination (15c3-1(d)) of ... \$ 980			
B. Securities borrowings, at market value from outsiders \$ 990		1410	1720
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders \$ 1000			
2. includes equity subordination (15c3-1(d)) of ... \$ 1010			
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 314,311 1230	\$ 1450	\$ 314,311 1760
<u>Ownership Equity</u>			
21. Sole Proprietorship			1770
22. Partnership (limited partners)	11 (\$ 1020)		1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock		8,800	1792
C. Additional paid-in capital			1793
D. Retained earnings		93,012	1794
E. Total		101,812	1795
F. Less capital stock in treasury		16 ()	1796
24. TOTAL OWNERSHIP EQUITY		\$ 101,812	1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 416,123	1810

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

as of 9/30/04

PENSION PLANNERS SECURITIES, INC.

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$	101,812	3480
2. Deduct ownership equity not allowable for Net Capital	19	()	3490
3. Total ownership equity qualified for Net Capital		101,812	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$	101,812	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	17	\$ 3540	
B. Secured demand note delinquency		3590	
C. Commodity futures contracts and spot commodities -			
proprietary capital charges		3600	
D. Other deductions and/or charges		3610	3620
7. Other additions and/or allowable credits (List)			3630
8. Net capital before haircuts on securities positions	20	\$ 101,812	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments		\$ 3660	
B. Subordinated securities borrowings		3670	
C. Trading and investment securities:			
1. Exempted securities	18	3735	
2. Debt securities		3733	
3. Options		3730	
4. Other securities <u>Includes Uninsured Money Funds</u>		8,298	3734
D. Undue Concentration		3650	
E. Other (List)		3736	8,298
10. Net Capital	\$	93,514	3750

OMIT PENNIES

NET CAPITAL PER FOCUS REPORT FILED FOR THE
QUARTER ENDING SEPTEMBER 30, 2004

\$ 45,048

ADJUSTMENTS:

CORRECT ACCRUED STATE AND FEDERAL INCOME TAXES
AND PENALTIES

467

ROUNDING

(1)

SHAREHOLDER DIVIDEND DISTRIBUTION ADJUSTMENT -
DISTRIBUTION ACTUALLY MADE IN FOLLOWING FISCAL YEAR

48,000

NET CAPITAL FOR SEPTEMBER 30, 2004 AUDITED
FINANCIAL STATEMENTS

\$ 93,514

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

as of 9/30/04

PENSION PLANNERS SECURITIES, INC.

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19)	\$	20,965	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	20,965	3760
14. Excess net capital (line 10 less 13)	\$	72,549	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	62,083	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	314,311	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	
18. Total aggregate indebtedness	\$	314,311	3840
19. Percentage of aggregate indebtedness to net capital (line 18 \div by line 10)	%	336.10	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	%	N/A	3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$		3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
23. Net capital requirement (greater of line 21 or 22)	\$		3760
24. Excess capital (line 10 less 23)	\$		3910
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000	\$		3920

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6 $\frac{2}{3}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

PENSION PLANNERS SECURITIES, INC.

For the period (MMDDYY) from 10/1/03 to 9/30/04 3932
 Number of months included in this statement 12 3931

STATEMENT OF INCOME (LOSS)

REVENUE

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	3935
b. Commissions on listed option transactions	25	3938
c. All other securities commissions		5,879,555 3939
d. Total securities commissions		5,879,555 3940
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		3945
b. From all other trading		3949
c. Total gain (loss)		3950
3. Gains or losses on firm securities investment accounts <u>Loss on Securities</u>		(4,086) 3952
4. Profit (loss) from underwriting and selling groups	26	3955
5. Revenue from sale of investment company shares		2,518,419 3970
6. Commodities revenue		3990
7. Fees for account supervision, investment advisory and administrative services		744,169 3975
8. Other revenue <u>Interest and Dividend Income</u>		3,176 3995
9. Total revenue	\$	9,141,233 4030

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers		803,790 4120
11. Other employee compensation and benefits		7,641,919 4115
12. Commissions paid to other broker-dealers		4140
13. Interest expense		4075
a. Includes interest on accounts subject to subordination agreements	4070	
14. Regulatory fees and expenses		4195
15. Other expenses <u>Includes State Income Tax of \$2,811 and</u>		674,414 4100
16. Total expenses <u>Federal Income Tax of \$4,450</u>	\$	9,120,123 4200

NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	21,110 4210
18. Provision for Federal income taxes (for parent only)	28	4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
a. After Federal income taxes of	4338	
20. Extraordinary gains (losses)		4224
a. After Federal income taxes of	4239	
21. Cumulative effect of changes in accounting principles		4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$	21,110 4230

MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$	4211
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

PENSION PLANNERS SECURITIES, INC.

For the period (MMDDYY) from 10/1/03 to 9/30/04

STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period	\$	80,702	4240
A. Net income (loss)		21,110	4250
B. Additions (Includes non-conforming capital of	\$	4262	4260
C. Deductions (Includes non-conforming capital of	\$	4272	4270
2. Balance, end of period (From item 1800)	\$	101,812	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$	NONE	4300
A. Increases		NONE	4310
B. Decreases		NONE	4320
4. Balance, end of period (From item 3520)	\$	NONE	4330

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

PENSION PLANNERS SECURITIES, INC.

as of 9/30/04

EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- | | |
|--|---------------|
| A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 | 4550 |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. | |
| Name of clearing firm ³⁰ <u>RBC DAIN RAUSCHER (8-45411)</u> 4335 | <u>X</u> 4570 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) | 4580 |

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
31 4600	4601	4602	4603	4604	4605
32 4610	4611	4612	4613	4614	4615
33 4620	4621	4622	4623	4624	4625
34 4630	4631	4632	4633	4634	4635
35 4640	4641	4642	4643	4644	4645
			Total \$ ³⁶ 4699		

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:

- | | |
|----|--------------------------|
| 1. | Equity Capital |
| 2. | Subordinated Liabilities |
| 3. | Accruals |

DESCRIPTIONS

PENSION PLANNERS SECURITIES, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
Year ended September 30, 2004



To the Board of Directors
Pension Planners Securities, Inc.
Sacramento, California

I have audited the accompanying balance sheet of Pension Planners Securities, Inc., as of September 30, 2004 and the related statements of income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pension Planners Securities, Inc., as of September 30, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, I have prepared and examined the supplementary schedules (pages 1 through 7 of Form X-17a-5(a)) which follow the notes to the aforementioned financial statements and, in my opinion, they present fairly the information included therein in conformity with the rules of the Securities and Exchange Commission.


November 23, 2004

335 33rd Street, Sacramento, CA 95816

Phone: 916.443.4502 • Facsimile: 916.443.6746 • Pager: 916.326.8106
E-mail: gmlcpa@aol.com • Web Site: www.accountant/city.com/greglangcpa

PENSION PLANNERS SECURITIES, INC.
BALANCE SHEET
September 30, 2004

ASSETS

Current Assets

Cash and cash equivalents	\$ 363,628
Prepaid Franchise Tax	528
Investments - securities	<u>51,967</u>
Total Current Assets	<u>\$ 416,123</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable - Commission deposits	\$ 314,250
Income taxes payable	<u>61</u>
Total Current Liabilities	<u>314,311</u>

Shareholders' Equity

Common stock, 1,000 shares authorized, 900 shares issued and outstanding	8,800
Retained earnings	<u>93,012</u>
Total Shareholders' Equity	<u>101,812</u>

Total Liabilities and Shareholders' Equity	<u>\$ 416,123</u>
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See accompanying notes and auditors' report.

PENSION PLANNERS SECURITIES, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
Year ended September 30, 2004

Commission Income	<u>\$ 9,142,144</u>
Expenses	
Commissions	7,961,209
Officers' compensation	484,500
Common administrative expenses	538,746
Insurance	16,970
Licenses and fees	(14,701)
Outside services	13,581
Accounting and auditing	22,825
Bank charges	153
Retirement contribution	75,050
Marketing	<u>14,522</u>
Total Expenses	<u>9,112,855</u>
Net Loss From Operations	<u>29,289</u>
Other Income	
Dividend income	132
Interest income	<u>3,044</u>
Total Other Income	<u>3,176</u>
Net Income	<u>32,465</u>
Other Comprehensive Income(loss)	
Unrealized holding loss arising during the year-	
investments - securities	<u>(4,086)</u>
Total Impact on Comprehensive Income	<u>(4,086)</u>
Income Tax Expense	<u>7,269</u>
Net Income	<u>21,110</u>
Retained Earnings, September 30, 2003	<u>71,902</u>
Retained Earnings, September 30, 2004	<u>\$ 93,012</u>

See accompanying notes and auditors' report.

PENSION PLANNERS SECURITIES, INC.
STATEMENT OF CASH FLOWS
Year ended September 30, 2004

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows From Operating Activities

Net Income	\$ 21,110
Adjustments to reconcile net income to net cash provided by operating activities:	
Unrealized loss on investments - securities	4,086
Changes in assets and liabilities:	
Decrease in commissions receivable	40,149
Increase in accounts payable	191,705
Decrease in income taxes payable	(7,025)
Decrease in commissions payable	(36,134)
Decrease in deferred revenue	<u>(1,839)</u>
Total Adjustments	<u>190,942</u>
Net Cash Provided By Operating Activities	212,052

Cash and Cash Equivalents, September 30, 2003 151,576

Cash and Cash Equivalents, September 30, 2004 \$ 363,628

Supplementary Disclosure of Cash Flow Information

Cash paid during the period for:

Income taxes \$14,294

Disclosure of Accounting Policy

For purposes of the Statement of Cash Flows, the Corporation considers all highly-liquid investments readily convertible to known amounts of cash as cash equivalents.

See accompanying notes and auditors' report.

PENSION PLANNERS SECURITIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

Note 1: Summary of Significant Accounting Policies

The following items comprise the significant accounting policies of the Corporation. The policies reflect industry practices and conform to generally accepted accounting principles.

Corporation's Activities

The Corporation is engaged in the sale of mutual funds and variable annuities to individuals, organizations and businesses in Northern California and Nevada. Commissions are paid by both mutual fund and insurance companies to Pension Planners Securities, Inc., which in turn pays commissions to its security representatives.

Income Taxes

Income tax expense includes current federal and state taxes. There are no deferred taxes as the Corporation reports its income on the same basis of accounting for financial statement and income tax purposes. As of September 30, 2004, the Corporation has capital loss carryovers of \$9,667 available to offset both future federal and state capital gains.

Operations

The Corporation's operations are conducted from the same offices as another corporation controlled by the same shareholders. The related corporation incurs the burden of substantially all common general and administrative expenses, thereby reducing the direct expenses of Pension Planners Securities, Inc. However, Pension Planners Securities, Inc. has been charged \$538,746 by the related corporation for common expenses which include payroll tax expense related to compensation paid to the Corporation's shareholder employees. Management believes that this amount adequately reflected its share of the common expenses for the year ended September 30, 2004. The total charges are included in and are listed as common administrative expenses in the income statement.

Note 2: Investments - Securities

The balance represents investments in equity securities at the lower of cost or market for all the equity securities held at September 30, 2004.

PENSION PLANNERS SECURITIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

Note 3: Related Party Transactions

Commissions of \$319,290 for the year ended September 30, 2004 were paid to the shareholders and is included in commissions expense on the statement of income and retained earnings.

A related corporation is common paymaster for the reporting of payroll of the Corporation's shareholder employees (officer's compensation in the statement of income). Thus, a reimbursement to the common paymaster for federal and California employer payroll taxes has been paid to the related corporation and is included in the statement of income with common general and administrative expense (see Note 1 Operations).

Note 4: Net Capital Requirement

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Corporation is required to maintain net capital of not less than \$5,000; at September 30, 2004, the Corporation had net capital of \$93,514.

PENSION PLANNERS SECURITIES, INC.
September 30, 2004

Pension Planners Securities, Inc. does not retain customer funds or customer securities. The following schedules are inapplicable and thus have not been prepared:

- Computation for Determination of Reserve Requirements pursuant to Rule 15c3-3
- Information Relating to the Possession or Control Requirements pursuant to Rule 15c3-3
- A Reconciliation pursuant to Rule 17a-5(d)(4)



SUPPLEMENTARY REPORT ON INTERNAL ACCOUNTING CONTROL

To the Board of Directors
Pension Planners Securities, Inc.
Sacramento, California

I have examined the financial statements of Pension Planners Securities, Inc. for the year ended September 30, 2004 and have issued my report thereon dated November 23, 2004. As part of my examination, I made a study and evaluation of the system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and Rule 17a-5 of the Securities and Exchange Commission. This study and evaluation included the accounting system. The Corporation is exempt from compliance with Rule 15c3-3. No facts came to my attention indicating that the conditions of the exemption had not been complied with during the period. Rule 17a-5 states that the scope of the study and evaluation should be sufficient to provide reasonable assurance that any material weakness existing at the date of my examination would be disclosed. Under generally accepted auditing standards and rule 17a-5, the purposes of such study and evaluation are to establish a basis for reliance thereon in determining the nature, timing, and extent of other auditing procedures necessary for expressing an opinion on the financial statements and to provide a basis for reporting material weaknesses in internal accounting control.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance concerning the safeguarding of assets against loss from unauthorized use or disposition and concerning the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgment by Management. However, for the purposes of this report under Rule 17a-5, the determination of weaknesses to be reported was made without considering the practicability of corrective action by Management within the framework of a cost/benefit relationship.

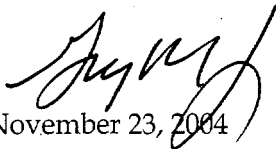
There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding instructions, mistakes of judgment, carelessness, or other personnel factors. Control procedures whose effectiveness depends on

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segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by Management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation of the system of internal accounting control for the year ended September 30, 2004, which was made for the purposes set forth in the first paragraph above, and would not necessarily disclose all weaknesses in the system that may have existed during the period, disclosed no weakness that I believe to be material except that often substantially all accounting functions are performed or directed by one individual and supervised or intermittently reviewed by one individual (shareholder). This lack of segregation of duties allows opportunity for accounting improprieties to occur without collusion. Although not a formal control, each of the shareholders has full access to all accounting records and is extremely familiar with the transactions and business activities of the Corporation.



November 23, 2004